

Message Text

UNCLASSIFIED

PAGE 01 GUATEM 01060 261440Z

61

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 TRSE-00 XMB-04 OPIC-06 SP-02 CIEP-02

LAB-04 SIL-01 OMB-01 AGR-10 FEA-01 L-02 PA-02 PRS-01

USIA-15 IO-10 /092 W

----- 056685

R 252250Z FEB 75

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 5981

INFO AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMEMBASSY MANGAUA

UNCLAS GUATEMALA 1060

ROCAP

E.O. 11652: N/A

SUBJECT: MEETING OF CA MINECONS FEB 20-21

1. MINISTERS OF ECONOMY OF FIVE CA'S MET AT SIECA FEB 20-21. THEY WERE ACCOMPANIED BY VICE MINECONS OF ALL FIVE CA'S (EXCEPT HONDURAS). GERT ROSENTHAL, HEAD OF ECIA' MEXICO OFFICE, AND JORGE GONZALEZ DEL VALLE, HEAD OF CA MONETARY STABILIZATION FUND, ALSO ATTENDED.

2. THIS MEETING WAS ORIGINALLY PLANNED FOR JOINT CONSIDERATION OF POSSIBLE REGIONAL COOPERATIVE ACTION IN FACE OF PRESSURES OF CA DUE TO WORLD ECONOMIC SITUATION. WORKING PAPER WAS PREPARED BY SIECA, ENTITLED "THE INTERNATIONAL ECONOMIC SITUATION AND ITS IMPLICATIONS FOR CENTRAL AMERICA." ANOTHER PURPOSE OF MTG WAS TO RE-ESTABLISH FORUM OF REGIONAL MINECONS, DISRUPTED SINCE HONDURAS' WITHDRAWAL FROM ECONOMIC COUNCIL OF GENERAL TREATY IN 1969.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 GUATEM 01060 261440Z

3. AT FEB 13 MEETING OF CA CHIEFS OF STATE (SEE MANAGUA 0661),

PRESIDENTS DIRECTED NIMECONS TO: (A) SOLVE PROBLEMS CAUSED BY NICARAGUAN RESTRICTIONS CERTAIN SENSITIVE IMPORTS -- PARA 6 OF PRESIDENTS' COMMUNIQUE AND (B) DEFINE PROGRAMS FOR MULTINATIONAL PROJECTS IN AGRICULTURE, FOOD SELF-SUFFICIENCY, ENERGY AND CONCERTED FOREIGN POLICY -- PARA 7 PRESIDENTS' COMMUNIQUE.

4. ROCAP WAS ALSO NOTIFIED BY SIECA THAT THE MINISTERS WOULD CONSIDER THE FUTURE OF PROMECA, THE U.S. SUPPORTED REGIONAL EXPORT PROMOTION AGENCY.

5. WITH ALL THE ABOVE ON THE PROGRAM, IT IS NOT SURPRISING THAT THE MINECONS ACHIEVED LESS THAN COMPLETE SUCCESS. NO COMMUNIQUE WAS ISSUED, AND THE ACTS OF THE MEETING IS YET TO BE APPROVED.

6. WE UNDERSTAND THE MINECONS:

- A. ESTABLISHED A REGIONAL ENERGY COMMISSION, WITH SIECA AS SECRETARIAT. (SEE ROCAP ARGRAM CIRCULAR A-02 FOR RECENT STUDY OF ENERGY PROBLEMS AND PROPOSALS FOR (CA'S)
- B. GAVE FORMAL APPROVAL TO INCREASE SIECA BUDGET, FROM \$900 THOUSAND TO \$1.25 MILLION, RAISING EACH COUNTRY'S CONTRIBUTION FROM \$180 THOUSAND TO \$250 THOUSAND PER YEAR.
- C. FAILED TO SOLVE THE PROBLEM OF GON RESTRICTIONS AFFECTING IMPORTS OF GUATEMALAN AND SALVADORAN TEXTILES, CLOTHING AND SHOES. THE PROBLEM WAS RELEGATED TO "BILATERAL NEGOTIATION", WITH GOG MINISTER PALOMO EXPRESSING HOPE OF SOLUTION BY MARCH 15 "TO HEAD OFF ACTIONS WHICH COULD SHARPEN THE PROBLEM" (NOTE: APPARENTLY A THREAT OF REPRISALS)
- D. CONSIDERED THE INADEQUACY OF THE REGIONAL TOURISM PROGRAM (SITCA).
- E. CONSIDERED THE GENERAL DISSATISFACTION WITH PROMECA.
- F. AGREED TO MEET "SOON" AS THE ECLA COMMITTEE ON ECONOMIC COOPERATION.

(NOTE: THE REINSTITUTION OF THIS DORMANT FORUM IS AN IDEA PROMOTED BY ECLA-MEXICO. IT CATERS TO THE NEED FOR REGIONAL COOPERATION IN THE FACE OF HONDURAS' RELUCTANCE TO RE-VITALIZE THE ORGANS OF THE GENERAL TREATY. ECLA WOJLD BE THE SECRETARIAT, ALTHOUGH SIECA WOULD PROBABLY COOPERATE. THE GROUP ALSO INCLUDES PANAMA)..

7. COMMENT: WITH PRESIDENT, MINECONS, AGMINS, VICE MINECONS, ENERGY EXPERTS, THE HIGH LEVEL COMMITTEE AND OTHER REGIONAL GROUPS MEETING IN RAPID SUCCESSION, 1975 HAS BEGUN (AS NOTED BY UNCLASSIFIED

UNCLASSIFIED

PAGE 03 GUATEM 01060 261440Z

GUATEMALA'S EL GRAFICO) "UNDER THE SIGN OF INTERGRATION". STUDIES, PROPOSALS, RECOMMENDATIONS AND EXHORTATIONS ARE COMING FORTH AT A FEVERISH PACE. THE HIGH LEVEL COMMITTEE ALONE HAS PROJECTED NINE MEETINGS BETWEEN NON AND JUNE, CULMINATING IN PRESENTATION OF A DRAFT INTEGRATION TREATY TO THE FIVE GOVERNMENTS, AS EXPRESSLY DIRECTED THE FIVE PRESIDENTS (PARA 4, PRESIDENTS' COMMUNIQUE). ALL OF THIS MOTION AND SOUND CONSTITUTES A PERSUASIVE OUTWARD SIGN THAT CA GOVERNMENTS ARE INCREASINGLY

AWARE OF MENACING ECONOMIC PROBLEMS - WITH POTENTIAL POLITICAL REPERCUSSIONS - AND THAT THEY SEE INTEGRATION, OR AT LEAST ENHANCED COOPERATION, AS POTENTIALLY PART OF THEIR DEFENSIVE TOOLS. AS YET, HOWEVER, THERE IS LITTLE EVIDENCE OF EFFECTIVE POLITICAL WILL TO MOVE FORCEFULLY ON INTEGRATION, A WITNESS GON AND GOCR ACTIONS LIMITING IMPORTS FROM GUATEMALA AND EL SALVADOR, GUATEMALA'S FAILURE TO BUILD ITS SECTION OF INTEGRATION HIGHWAY CA-13, HONDURAS ROADBLOCK AGAINST EL SALVADOR, GUATEMALAN AND NICARAGUAN FAILURE TO COOPERATE ON THE BANANA EXPORT TAX, AND GUATEMALA'S RECENT RELUCTANCE TO COOPERATE WITH EL SALVADOR'S COFFEE RETENTION SCHEMES, TO MENTION A FEW EXAMPLES.

8. WOULD APPRECIATE ANY INFO EMBASSIES MAY PICK UP ON CONTENT AND OUTCOME MINECON MTG. PARKER ACTING.

ALSO PASSED INFO USAID/GUATEMALA.
MELOY

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MINISTERIAL MEETINGS, ECONOMIC INTEGRATION, MEETING PROCEEDINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975GUATEM01060
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750068-0478
From: GUATEMALA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750216/aaaaansr.tel
Line Count: 132
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 14 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 MAY 2003 by SilvaL0>; APPROVED <16 JAN 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MEETING OF CA MINECONS FEB 20-21
TAGS: ECIN, ECON, XK
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006